



NEBRASKA DEPARTMENT OF INSURANCE **INSURANCE FRAUD PREVENTION DIVISION**

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2005 - Insurance Fraud Statistics

Source: Information compiled from the Nebraska Insurance Information Management System.

2005 Statistics

The IFPD received a total of **303 referrals** during 2005.

During 2005, a total of **52 cases** were sent to a county attorney for prosecution consideration.

A total of **71 cases** were reviewed and/or investigated and subsequently **closed due to insufficient evidence** to prosecute under the Nebraska Insurance Fraud Act. The referral looked suspicious, but after reviewing and/or investigating the complaint, the requisite evidence was lacking to prosecute under the Insurance Fraud Act.

Allegations of insurance fraud were **unfounded in 9 cases**.

During 2005, **7 convictions** occurred on referrals submitted by the IFPD for prosecution.

Insurance fraud case referrals were reported from 42 Nebraska counties. Douglas, Sarpy, and Lancaster Counties account for 65% of our referrals and the balance, 35%, were located in greater Nebraska.

- Property and casualty fraud accounted for 82% of the IFPD referrals.
- Life and health fraud accounted for 11% of the IFPD referrals.
- Internal and agent fraud accounted for 7% of the IFPD referrals.

Not all of the referrals identified a dollar amount of fraud. The cases that did report an estimated dollar amount of fraud totaled over **\$2.8 million dollars** of actual and potential losses.

Insurance Fraud Categories

The IFPD classifies insurance fraud into 15 general types of fraud. The general categories also have sub-categories.

Fraud Category	Insurance Type	Cases	Reported Losses (Actual/Potential)
Agent	<i>Internal</i>	19	110,146.98
Arson	<i>Property/Casualty</i>	6	506,590.00
Auto Bodily Injury	<i>Property/Casualty</i>	33	90,238.55

Auto Property	<i>Property/Casualty</i>	90	137,841.14
Commercial Auto	<i>Property/Casualty</i>	12	27,635.03
Commercial Property	<i>Property/Casualty</i>	12	202,159.54
Credit	<i>Property/Casualty</i>	10	61,175.16
General Liability	<i>Property/Casualty</i>	14	20,729.67
Homeowner	<i>Property/Casualty</i>	28	1,194,802.03
Internal	<i>Internal</i>	1	0.00
Life	<i>Life/Health</i>	4	4,000.00
Medical/Health	<i>Life/Health</i>	28	359,029.50
Other	<i>Unknown</i>	3	0.00
Title	<i>Internal</i>	0	0.00
Workers' Compensation	<i>Property/Casualty</i>	43	145,213.91
Total		303	\$2,859,561.51

During 2005, the IFPD investigated the following types of fraud cases:

- **Agent Fraud** – conversion; faked policies, certificates, cards, or binders; falsified/forged documents; and pocketing premiums.
- **Arson/Suspicious Fire** – home/residential and commercial.
- **Automobile Bodily Injury** – fake injuries; false documents; inflated injuries; and staged accidents.
- **Auto Property** – fake damages; forged/fake/alterd insurance cards; forged/falsified documents; glass; inflated damages; owner give-up/ditching; past posting; prior damage; property theft from vehicle; vehicle theft; and vehicle vandalism.
- **Commercial Auto** – staged/caused accidents.
- **Commercial Property** – farm loss and staged thefts.
- **Credit** - disability.
- **General Liability** – broken tooth caper; forged/falsified documents; and slip & fall.
- **Homeowner** - faked loss of personal property; forged/falsified documents; inflated claim; phony burglary and theft claims.
- **Internal Fraud.**
- **Life** – beneficiary not entitled to benefits; forged policy; and murder-for-profit.
- **Medical/Health** – billing/coding; disability; forged/false documents; and home health care.
- **Workers' Compensation** - claimants working while collecting disability benefits (double-dipping); fake injuries; injury unrelated to work; malingering; and prior injuries.